

ITEM 1 COVER PAGE

PART 2A OF FORM ADV: FIRM BROCHURE

PHOENIX INVESTMENT ADVISER LLC

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This brochure provides a general summary of the qualifications and business practices of Phoenix Investment Adviser LLC (“Phoenix”). If you have any questions about the contents of this brochure, please contact us at 212-359-6235 or lfriedler@phoenixinvadv.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

Additional information about Phoenix also is available on the SEC’s website at www.adviserinfo.sec.gov.

The information contained herein is accurate as of the date hereof and is subject to change.

Phoenix is registered as an investment adviser with the SEC. Registration with the SEC or with any state securities authority does not imply a certain level of skill or training.

ITEM 2 MATERIAL CHANGES

No material changes have occurred since the last update of this Brochure on August 16, 2016.

Clients are encouraged to read this Brochure in detail and contact Phoenix with any questions.

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ITEM 4 ADVISORY BUSINESS

Phoenix Investment Adviser LLC (“Phoenix”) is a Delaware limited liability company which commenced operations in May 2003. The principal owner of Phoenix is Jeffrey Peskind.

Phoenix provides investment advisory services on a discretionary basis to domestic and offshore private investment funds (each, a “Fund” and collectively with the Mercer Fund and the IDF, the “Funds”) and to separately managed accounts. Investors in the Funds and separately managed account Clients may be individuals or institutions or other entities (including pension and profit sharing plans, trusts, estates, charitable organizations, corporations, partnerships, funds of funds, sovereign wealth funds and other business entities). Further, Phoenix currently provides investment advisory services to the Mercer QIF Fund PLC, a multi-sub-fund umbrella fund incorporated as a variable capital limited liability investment company in Ireland and authorized by the Central Bank of Ireland, in its capacity as a sub-investment manager (the “Mercer Fund”). Phoenix also currently provides investment advisory services to the JLP Credit Opportunity IDF, which is a series of the SALI Multi-Series Fund, L.P., a Delaware series limited partnership (the “IDF”). Phoenix pursues certain value-based, “stressed” credit and equity strategies by utilizing a research-intensive investment methodology that analyzes the value and viability of the underlying assets, the obligations of those assets and certain event dynamics.

Phoenix may, in the future, provide discretionary or non-discretionary advisory services, either directly or in a sub-advisory capacity, to other investment funds or separately managed accounts. The Funds and any separately managed accounts advised by Phoenix from time to time are referred to collectively herein as “Clients”.

Phoenix advises each Fund in an attempt to achieve the Fund’s investment objectives (consistent with any guidelines and/or restrictions that may be imposed thereon) and does not tailor its advice to the individual needs of any investor in such Fund. Underlying Fund investors are not clients of Phoenix by virtue of their ownership in such Funds (and do not enter into investment management agreements with Phoenix) and therefore generally may not impose any restrictions on the way in which Phoenix provides advice. Phoenix’s management of each Fund is subject to, and the terms of any investor’s investment in a Fund and all other terms of each Fund are governed by, the terms of that Fund’s offering memorandum, limited partnership agreement or memorandum and articles of association (as applicable), investment management agreement and subscription agreement, including any investment restrictions as set forth therein, each as may be amended, supplemented or modified from time to time (collectively, with respect to each Fund, as applicable, the “Governing Documents”). Phoenix and/or its affiliates may enter into side letter agreements with certain Fund investors which provide certain investors with additional and/or different rights than the other investors in a Fund (including but not limited to reduced fees, access to information, minimum investment amounts and liquidity terms).

When Phoenix provides advisory services to a Client through a separately managed account, that account is tailored to the individual needs of the Client, and any investment restrictions or guidelines, as well as other terms (such as fees, liquidity, and access to information) are mutually agreed between Phoenix and the Client. Generally, Clients may impose restrictions on investing in certain issuers, types or quantities of securities, investment instruments, asset classes, geographic regions or sectors. Clients who restrict their investment portfolios may experience different and potentially worse performance results than Clients with unrestricted portfolios even for Clients with similar objectives.

Investors and other recipients should be aware that while the Brochure includes information about the Funds, it is not a complete description of the terms, risks or conflicts associated with an investment in any Fund. More complete information about each Fund is included in such Fund’s Governing Documents, which may be provided to current and eligible prospective investors only by Phoenix or another

authorized party. The information contained in this Brochure is qualified in its entirety by reference to disclosures made in a Fund's offering memorandum and other related Governing Documents, which should be carefully reviewed prior to making an investment decision. In no event should this Brochure be considered an offer to sell or a solicitation to buy interests in any Fund or relied upon in determining to invest in any such Fund. This Brochure is designed to provide general disclosure about Phoenix's advisory business for the purpose of compliance with certain regulatory obligations under the Investment Advisers Act of 1940, as amended (the "Advisers Act"), and, as such, may differ from (and does not necessarily include all of) the information provided in a Fund's offering memorandum and other related Governing Documents.

As of December 31, 2016, Phoenix had approximately \$1,590,627,340 of client assets under management on a discretionary basis and \$0 of client assets under management on a non-discretionary basis.

ITEM 5 FEES AND COMPENSATION

Compensation received by Phoenix (or its affiliates) generally consists of fees based on a percentage of assets under management (“Management Fees”) and performance-based compensation, such as performance fees or allocations to which investors in the Funds (and separately managed account Clients) may be subject (“Performance Fees”).

Private Funds

Management Fees and Performance Fees relating to the Funds are set forth in each applicable Fund’s offering memorandum. Management Fees typically range between .50% and 1.5% of net assets per annum. Management Fees are generally payable quarterly in advance and are adjusted pro rata for any subscriptions, transfers, redemptions or withdrawals during a calendar quarter.

Performance Fees received by Phoenix and/or its affiliates range generally between 10% and 20% of net profits (including realized and unrealized gains), after deducting Management Fees and after making up for any losses carried forward from prior periods and, in certain instances, subject to a “hurdle rate”. The timing of allocations/distributions related to Performance Fees varies depending on the Fund and, within a particular Fund, on the terms of each class of interest or shares of such Fund, as set forth in the relevant Fund’s Governing Documents, however, Performance Fees are generally deducted, or allocated away, from the assets of investors in the Funds, on an annual basis or at the time an investor withdraws from the Fund or upon dissolution of the Fund.

Phoenix reserves the right to waive, reduce, rebate, or calculate differently the Management Fee and/or Performance Fee with respect to any investor in a Fund, including, without limitation, the current or former Phoenix principals and employees and their family members and any other entity organized or formed by any of the foregoing for tax, estate planning or charitable purposes.

Separately Management Accounts

Phoenix does not maintain a standard fee schedule for separately managed accounts, thus Management Fees and Performance Fees for separately managed accounts are negotiated on an individual basis. Other terms applicable to separately managed accounts, including but not limited investment restrictions and other investment guidelines, are subject to negotiation and vary from each other and from those applicable to the Funds.

Expenses

Each Fund generally pays expenses incurred by it and reimburses Phoenix or its affiliates for certain indirect expenses incurred on its behalf. Such expenses include, without limitation, the Management Fee for the applicable Fund, the fees and expenses paid to a Fund’s administrator, accounting, tax, auditing, legal and compliance, consulting, insurance and other professional fees and expenses, custodial, clearing and transfer agency fees and expenses, printing and mailing expenses, other promotional expenses, organizational expenses, the cost of maintaining a Fund’s existence, the costs and expenses of products and services relating to research concerning a Fund’s investments or potential investments, and the pro rata portion of the same fees relating to the master fund in each master-feeder fund complex, if applicable, and underlying transaction costs, including but not limited to commissions, “mark-ups” and “mark-downs” on trades, odd-lot differentials, transfer taxes, handling charges, exchange fees (including foreign currency exchange fees), interest to cover short positions, wire transfer fees, electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. For a description of the fees and expenses borne by each Fund, please see the applicable Fund’s Governing Documents.

Separately managed account Clients will incur operating and transactions fees, and costs and expenses associated with maintaining their accounts imposed by custodians, brokers, prime brokers and other third parties. Examples of these charges include but are not limited to custodial fees, commissions, “mark-ups” and “mark-downs” on trades, odd-lot differentials, transfer taxes, handling charges, exchange fees (including foreign currency exchange fees), interest to cover short positions, wire transfer fees, electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. These fees and expenses are separate and in addition to the advisory fees charged by Phoenix for managing Client accounts.

Phoenix bears its own operating, general, administrative and overhead costs and expenses.

Neither Phoenix nor any of its supervised persons accepts compensation for the sale of securities or other investment products.

ITEM 6 PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

As noted in Item 5 above, Phoenix receives Performance Fees from certain Clients. Performance Fees may create an incentive for Phoenix to recommend investments that may be riskier or more speculative than would be the case if such arrangement were not in effect. In addition, Performance Fee arrangements may create an incentive to favor higher fee paying Clients over other Clients (including Clients who may not be subject to any Performance Fees) in the allocation of investment opportunities. The Performance Fees received by Phoenix and its affiliates in some cases are calculated on the basis of the unrealized, as well as the realized, gains and losses. As a result, the Performance Fees could be made to Phoenix and its affiliates in respect of unrealized gains of the Funds that may never be realized. Phoenix believes that it has reasonable controls in place to mitigate such potential conflicts of interest. These controls include trade allocation procedures that govern allocation of securities, including limited offerings, and analysis of performance achieved by accounts managed in a similar strategy. Phoenix's procedures generally require accounts with similar investment strategies to be managed in a similar fashion, subject to a variety of exceptions, such as particular investment restrictions or policies applicable only to certain accounts, differences in cash flows, exposure guidelines, account sizes and similar factors.

ITEM 7 TYPES OF CLIENTS

As noted in Item 4 above, Phoenix provides investment management services on a discretionary basis to domestic and offshore private investment funds (each, a “Fund” and collectively with the Mercer Fund and the IDF, the “Funds”) and to separately managed accounts. Investors in the Funds and separately managed account Clients may be individuals or institutions or other entities (including pension and profit sharing plans, trusts, estates, charitable organizations, corporations, partnerships, funds of funds, sovereign wealth funds and other business entities). Further, Phoenix currently provides investment advisory services to the Mercer QIF Fund PLC, a multi-sub-fund umbrella fund incorporated as a variable capital limited liability investment company in Ireland and authorized by the Central Bank of Ireland, in its capacity as a sub-investment manager (the “Mercer Fund”). Phoenix also currently provides investment advisory services to the JLP Credit Opportunity IDF, which is a series of the SALI Multi-Series Fund, L.P., a Delaware series limited partnership (the “IDF”).

Investors in the Funds and separately managed account Clients may include pension plans, foundations, funds of funds, charitable organizations, trusts, estates, corporations, sovereign wealth funds, other institutional investors, and high net worth individuals. The minimum initial subscription amount for investing in the Funds (as set forth in their respective Governing Documents) is \$1,000,000 for all Phoenix-sponsored Funds, generally subject to change or waiver at the discretion of Phoenix, or a Fund’s general partner or board of directors, as applicable. Separately managed account relationships are subject to significantly higher account minimums that are negotiated on a case by case basis.

ITEM 8 METHODS OF ANALYSIS, INVESTMENT STRATEGIES, AND RISK OF LOSS

Investment Strategies

The strategies of the Funds offered by Phoenix can be categorized generally into three distinct but similar primary investment strategies: a “stressed credit” strategy, a “long/short credit” strategy and a “stressed equity” strategy. Separately managed accounts, the Mercer Fund and the IDF follow similar but not identical investment strategies to those discussed herein.

Stressed Credit Strategy: A stressed credit strategy focused on deeply discounted, “out of favor” cash paying bonds of high yield companies. Phoenix believes that the type of bonds in this strategy offer an attractive risk return profile, while generating high coupon income. Phoenix invests in individual event-driven securities following a research-intensive investment methodology that analyzes the value and viability of the underlying assets, the obligations of those assets and the event dynamics. This decision-making methodology seeks to enable Phoenix to identify that portion of a “stressed” company’s capital structure most likely to generate above average returns consistent with the strategy’s focus on downside protection. Such securities may be found in the stressed or distressed high yield bond market, bank loan market, trade claims market, accounts receivable market, or the convertible preferred or equity markets. Industries that have fallen from favor, are misunderstood, or are in consolidation and transition are typical of those in which Phoenix expects to invest.

Long/Short Credit Strategy: A long/short credit strategy focused primarily on senior and secured bonds and loans of “mid cap” leveraged US companies while attempting to provide “downside protection”. This strategy attempts to generate alpha through credit selection both long and short. The strategy focuses on credits that generate high current income and are generally in the senior part of the capital structure. At the same time, the strategy strives to preserve investor capital through hedging processes. The various hedging strategies include: short sales of bonds, convertible securities, equities, and ETFs; capital structure arbitrage; and the use of derivatives, including options and credit default swaps. These hedging strategies are intended to attempt to reduce, but not necessarily eliminate, the market and credit risk.

Stressed Equity Strategy: Phoenix takes a value-based approach to investing in stressed equities, which we believe is a natural extension of our credit research process. We seek value-based equity opportunities that we believe have been overlooked by other investors and are fundamentally mispriced. Many of the strategy’s investments involve companies with highly-levered balance sheets, are suffering from (usually temporary) industry downturns, have recently emerged from bankruptcy, or are in low-growth or out-of-favor industries.

Methods of Analysis

Phoenix utilizes a research intensive, bottom-up investment process which focuses on securities of companies which have undergone or are undergoing some financial stress. Investments utilized by Phoenix can include, among other things, corporate bonds, corporate bank loans or bank debt, preferred stock, convertible securities, trade claims, trade receivables, ETFs and equities, as well as call and put options, and other derivatives, including credit default swaps, and other investments, as is more fully described in the Funds’ offering memorandum and Governing Documents. Investments held in a particular portfolio may differ depending on the particular strategy employed.

Investing in “stressed” securities is a form of “event-driven” investing whereby Phoenix bases its decision to invest on the occurrence of an event, which will reprice securities in the marketplace. These events include, among other things, improved company earnings, improved outlook for an industry or sector,

management changes, operational restructurings to cut costs, the confirmation of a bankruptcy plan of reorganization or liquidation that distributes cash and/or securities, or the maturity of a discounted instrument such as a bond or an account receivable.

Phoenix concentrates its investment recommendations primarily on securities that it believes trade at a significant discount to their underlying value. Phoenix may also engage in short sales, hedging strategies and capital structure arbitrage to enhance performance and/or to hedge certain risks of a portfolio.

Risk Factors

The following is a brief summary of certain of the more significant risks associated with Phoenix's investment strategies. Investing in securities involves risk of loss that Clients and Fund investors should be prepared to bear.

Fixed Income Securities. The value of fixed-income securities will change in response to interest rate fluctuations. When interest rates decline, the value of fixed income securities generally can be expected to rise. Conversely, when interest rates rise, the value of fixed income securities generally can be expected to decline. Fixed income securities can suffer severe losses in periods of high inflation such as experienced in the United States in the 1970's. Currency devaluations are also often associated with declines in fixed income securities prices. Issuers may choose to selectively default on certain classes of their debt.

Credit and Counterparty Risk. This is the risk that the issuer or guarantor of a fixed-income security will be unable or unwilling to make timely principal and interest payments, or to otherwise honor its obligations. Credit risk associated with investments in fixed-income securities relates to the ability of the issuer to make scheduled payments of principal and interest on an obligation. Investors in fixed income securities are subject to varying degrees of risk that the issuers of the securities will have their credit ratings downgraded or will default, potentially reducing an account's value and income level. Nearly all fixed income securities are subject to some credit risk, which may vary depending upon whether the issuers of the securities are corporations, domestic, or foreign governments, or their subdivisions or instrumentalities.

Event-Driven Trading Risks. Event-driven investing is a strategy that focuses on the securities of companies undergoing some material structural changes, which can come in the form of mergers, acquisitions, spin-offs, recapitalizations, reorganizations and other special transactions. Event driven investing requires predictions about (i) the likelihood that an event will occur and (ii) the impact such event will have on the value of a company's securities. Certain transactions are dependent on one or more factors to become effective, such as market conditions, shareholder approval, regulatory and other factors. No assurance can be given that the investments in such companies or proposed transactions will result in profitable investments or that the investment will not incur substantial losses as a result. If the event fails to occur, is delayed or does not have the effect foreseen, losses can result. Control positions in an issuer's securities may trigger additional risks of liability for environmental damage, product defects, failure to supervise management, violation of governmental regulations and other types of liability in which the limited liability characteristic of business operations may be ignored.

Purchases of Securities and Other Obligations of Financially Distressed Companies. Phoenix may invest in securities and other obligations of companies that are experiencing significant financial or business distress. Acquired investments may include senior or subordinated debt securities, bank loans, promissory notes and other evidences of indebtedness, as well as accounts payable to trade creditors. Although such purchases may result in significant returns, they involve a substantial degree of risk and may not show any return for a considerable period of time. The level of analytical sophistication, both

financial and legal, necessary for successful investment in companies experiencing significant business and financial distress is unusually high. There is no assurance that Phoenix will correctly evaluate the nature and magnitude of the various factors that could affect the prospects for a successful reorganization or similar action. In any reorganization or liquidation proceeding relating to a company in which a Client invests, a Client may lose its entire investment or may be required to accept cash or securities with a value less than the Client's original investment. Under such circumstances, the returns generated from the Client's investments may not compensate adequately for the risks assumed.

Investing in Distressed Debt. Distressed debt is subject to the significant risk of an issuer's inability to meet principal and interest payments on the obligations (credit risk) and also may be subject to price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness of the issuer and general market liquidity (market risk). Distressed debt may react to developments affecting market and credit risk more than non-distressed debt. Investments in distressed debt may be very illiquid, and consequently an investor may not be able to sell such investments when such investor determines it advisable or at prices that reflect the investor's assessment of their value or the amount paid for such investments. Illiquidity may result from the absence of an established market for the investments as well as legal, contractual or other restrictions on their resale and other factors. Distressed and non-investment grade debt securities are typically subject to greater market fluctuations and risks of loss of income and principal than lower yielding, investment grade securities and are often influenced by many of the same unpredictable factors which affect equity prices.

Illiquid Investments. Certain of the investments of Client portfolios may be or become illiquid and involve a high degree of business and financial risk that could result in substantial losses. Because of the absence of active or regulated trading markets for these illiquid investments, and because of the difficulties in determining market values accurately, it may take Phoenix longer to liquidate these positions (if they can be liquidated) than would be the case for more liquid investments. The prices realized on the resale of illiquid investments could be less than those originally paid by a Client. Further, companies whose securities are not publicly listed may not be subject to public disclosure and other investor protection requirements applicable to issuers of publicly traded securities.

Speculative Purchases of Securities. Phoenix may also make certain speculative purchases of securities. Such purchases may include securities which Phoenix believes to be undervalued, or where a significant position in the securities of the particular company has been taken by one or more other persons or where other companies in the same or a related industry have been the subject of acquisition attempts. There can be no assurance that securities which Phoenix believes to be undervalued are in fact undervalued. Nor can there be any assurances that undervalued securities will increase in value. If Phoenix purchases securities in anticipation of an acquisition attempt or reorganization, and an acquisition attempt or reorganization does not in fact occur, Phoenix may sell the securities at a substantial loss. Further, when securities are purchased in anticipation of an acquisition attempt or reorganization, a substantial period of time may elapse between Phoenix's purchase of the securities and the acquisition attempt or reorganization.

Equity Securities. Market prices of equity securities generally, and of certain companies' equity securities more particularly, frequently are subject to greater volatility than prices of fixed income securities. Market prices of equity securities as a group have dropped dramatically in a short period of time on several occasions in the past, and are likely to do so again in the future. In addition, actual and perceived accounting irregularities may cause dramatic price declines in the equity securities of companies reporting such irregularities or which are the subject of rumors of accounting irregularities. Common stock and similar equity securities generally represent the most junior position in an issuer's capital structure and, as such, generally entitle holders to an interest in the assets of the issuer, if any, remaining after all more senior claims to such assets have been satisfied. Holders of common stock

generally are entitled to dividends, only if and to the extent declared by the governing body of the issuer, out of income or other assets available after making interest, dividend and any other required payments on more senior securities of the issuer.

Hedging Transactions. Phoenix may employ certain hedging techniques, directed primarily toward general market risks. Hedging against a decline in the value of a portfolio position does not eliminate fluctuations in the values of portfolio positions or prevent losses if the values of such positions decline, but establishes other positions designed to gain from those same developments, thus, moderating the decline in the portfolio positions' value. Such hedge transactions also limit the opportunity for gain if the value of the portfolio position should increase. In addition, the degree of correlation between price movements of the instruments used in a hedging strategy and price movements in the portfolio position being hedged may vary. Moreover, for a variety of reasons, Phoenix may not seek or be able to establish a sufficiently accurate correlation between such hedging instruments and the portfolio holdings being hedged. Such imperfect correlation may prevent a Client from achieving the intended hedge or expose a Client to risk of loss. Hedging may be employed to limit certain market risks and credit risks. As a general matter, a Client's portfolio will still be exposed to basic event risk and other risks attendant to its investment strategy, which risks will not be generally hedged.

Concentration of Investments. While Phoenix currently intends to adhere to its risk control and management guidelines, Phoenix may concentrate its positions. Certain Clients are not subject to any formal policies regarding diversification and may sometimes concentrate its portfolio holdings in industries, geographic regions or companies which, in light of investment considerations, market risks and other factors, Phoenix believes will provide the best opportunity for attractive risk-adjusted returns. The concentration of a Client's portfolio in a small number of issuers or in any one industry would subject such a Client to a greater degree of risk with respect to the failure of one or a few issuers or with respect to economic downturns in relation to such industry.

Leverage; Interest Rates. Phoenix from time to time may borrow funds on behalf of a Client in order to be able to make additional investments. During periods in which a Client's portfolio is leveraged, fluctuations in the market value of a Client's portfolio will have a significant effect in relation to a Client's capital. Certain Funds may employ leverage in a debt-to-equity ratio that reflects market practice in the industry. The level of interest rates generally, and the rates at which a Fund can borrow in particular, will be an expense of a Fund and therefore affect the operating results of a Fund.

Highly Competitive Market for Investments. The business of identifying, negotiating, acquiring, monitoring, managing and selling investments is highly competitive, and involves a high degree of uncertainty. Phoenix will encounter competition from other persons or entities with similar investment objectives. These competitors include other investment partnerships and corporations, small business investment companies, large industrial and financial companies investing directly or through affiliates, foreign investors of various types and individuals.

Portfolio Turnover. The use of certain investment strategies may generate increased portfolio turnover. A high turnover rate will result in increased brokerage commissions and may generate taxable capital gains.

Temporary Defensive Investments. In times of unusual or adverse conditions, for temporary defensive purposes, Phoenix may invest outside the scope of its principal investment focus. Under such conditions, Phoenix may invest without limit in money market and other investments and may not invest in accordance with a particular Client's investment objectives or investment strategies and, as a result, may not achieve its investment objectives.

Options on Securities. Options trading is speculative and involves a high degree of risk. The leverage offered by trading in options could cause the value of a Client portfolio to be subject to more frequent and wider fluctuations than would be the case if Phoenix did not invest in options. If Phoenix purchases a put or call option, it may lose the entire premium paid. If Phoenix writes a “naked” put or call option, it may incur unlimited losses (in the case of a call option) or losses limited to the strike price of the option (in the case of a put option). If Phoenix writes a covered put or call option, Phoenix will limit its opportunity to profit from an increase (in the case of calls) or decrease (in the case of puts) in the market value of the underlying security.

Short Sales. Phoenix may sell securities short. Selling securities short runs the risk of losing an amount greater than the amount invested. Theoretically, short selling may be subject to the unlimited risk of loss because there may be no limit on how much the price of a security may appreciate before the short position is closed out. In addition, the supply of securities which can be borrowed fluctuates from time to time. Clients may be subject to losses if a security lender demands return of the lent securities and an alternative lending source cannot be found or if Phoenix is otherwise unable to borrow securities which are necessary to hedge its positions.

Risks Associated with ETFs. There are events that can trigger sharp, and sometimes adverse, price movements in ETFs that are not related to movements of the market in general. Not limited to, but among these, are surprise dividends, changes to regular dividend amounts, announcements of rights offerings and possible surprise revisions to net asset values. In addition, the Investment Company Act of 1940, as amended, places certain restrictions on the percentage of ownership that a private investment fund, such as the Funds, may have in an ETF.

General Risk Factors Related to Investing in Private Funds

An investment in a Fund is speculative and involves a high degree of risk, which each investor must carefully consider. Returns generated from an investment in a Fund may not adequately compensate investors for the business and financial risks assumed. An investor may lose all or a substantial amount of his, her or its investment. While the Funds are subject to market risks common to other types of investments, including market volatility, hedge funds employ certain trading techniques, such as the use of leveraging and other speculative investment practices that may increase the risk of investment loss. Other risks associated with Fund investments include, but are not limited to, the fact that the Funds:

- can be highly illiquid;
- are not required to provide periodic pricing or valuation information to investors;
- may involve complex tax structures and delays in distributing important tax information;
- are not subject to the same regulatory requirements as mutual funds;
- often charge higher fees and the high fees may offset the fund’s trading profits;
- can have performance that is volatile;
- may have a manager who has total trading authority over the fund and the use of a single adviser applying generally similar trading programs, which could mean a lack of diversification and, consequentially, higher risk;
- may not have a secondary market for an investor’s interest in the Fund and none may be expected to develop; and
- may have restrictions on transferring interests in the Fund.

Impact of Side Letters. A Fund, and/or Phoenix (and its affiliates) may from time to time enter into side letters with one or more investors that provide such investor(s) with additional and/or different rights (including, without limitation, with respect to a Management Fee, a Performance Fee, access to

information, minimum investment amounts and liquidity terms) than such investor(s) have pursuant to the Governing Documents of the applicable Fund. Neither Phoenix nor any of its affiliates will be required to notify any or all of the other investors of any such written agreements or any of the rights and/or terms or provisions thereof, nor will Phoenix or any of its affiliates be required to offer such additional and/or different rights and/or terms to any or all of the other investors. The other investors will have no recourse against a Fund, Phoenix and/or any of their affiliates in the event that certain investors receive additional and/or different rights and/or terms as a result of such side letters. As a result, Phoenix may face potential conflicts of interest if they manage the assets of a Fund in accordance with such additional or different rights and/or terms.

Master-Feeder Structure; Concentration of Investors. Certain of the Funds will invest all or substantially all of its assets through a “master fund”. From time to time, other persons or entities also may invest in a master fund. The “master-feeder” fund structure presents certain risks to investors. For example, a smaller feeder fund investing in a master fund may be materially affected by the actions of a larger feeder fund investing in a master fund. If a larger feeder fund makes a withdrawal from a master fund, the remaining feeder funds may experience higher *pro rata* operating expenses, thereby producing lower returns. A master fund will be a single entity and creditors of a master fund may enforce claims against all assets of such master fund. Furthermore, a significant portion of a feeder fund may come from one or a few large investors and any significant withdrawals thereof could have a material adverse effect on the other investors in a master fund.

No Anticipated Distributions. Phoenix does not generally intend to make distributions to Fund investors but intends to reinvest substantially all of a Fund’s income and gains for the foreseeable future. Investors will be liable to pay taxes on their allocable share of a Fund’s income. Phoenix does not anticipate making distributions to the Fund investors to assist in the payment of such taxes. Therefore, it may be necessary for the Fund investors to pay such taxes out of separate funds or proceeds from a withdrawal from a Fund, which are subject to taxation.

Cybersecurity Risks. Phoenix’s information and technology systems may be vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by its professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. Although Phoenix has implemented various measures to manage risks relating to these types of events, if these systems are compromised, become inoperable for extended periods of time or cease to function properly, Phoenix may have to make a significant investment to fix or replace them. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in Phoenix’s operations and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to investors (and the beneficial owners of investors). Such a failure could harm Phoenix’s reputation or subject it or its affiliates to legal claims and otherwise affect their business and financial performance. Additionally, any failure of Phoenix’s information, technology or security systems could have an adverse impact on its ability to manage the private investment funds and separately managed accounts referred to herein.

The foregoing list of risk factors does not purport to be a complete analysis or explanation of the risks associated with Phoenix’s investment strategies and, as applicable, with an investment in the Funds. Prospective investors in a Fund should read the Fund’s offering memorandum and Governing Documents for a more detailed list of risk factors applicable to that particular Fund, and consult with their own advisors before deciding whether to invest in such Fund.

ITEM 9 DISCIPLINARY INFORMATION

Phoenix and its management persons have no legal or disciplinary events to report under this Item 9.

ITEM 10 OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Neither Phoenix nor any of its management persons are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.

Phoenix Capital Management LLC (“PCM”), an affiliate of Phoenix, serves as general partner of certain of the Funds. PCM is also the holder of certain “performance shares” of certain Funds or is otherwise the recipient of Performance Fees from applicable Funds. Both PCM and Phoenix have filed for exemptions from registration as a commodity pool operator pursuant to Rule 4.13(a)(3) under the United States Commodity Exchange Act, as amended. Neither Phoenix nor any of its affiliates are registered as commodity trading advisors nor are they members of the National Futures Association.

Phoenix provides advisory services to a number of Clients, including certain pooled investment vehicles in which it has an interest, some of which have investment programs that are similar or substantially similar to each other. In addition, Phoenix may in the future advise other pooled investment vehicles and separately managed accounts that may have investment programs that are similar or substantially similar to the investment program of one or more Clients. As a result of the foregoing, Phoenix and its employees may have conflicts of interest in allocating their time and resources among Phoenix’s Clients, and in allocating investments among Phoenix’s Clients. Accordingly, Phoenix will devote so much of its time and will allocate the time and resources of its employees to each Client as in its judgment each Client reasonably requires.

Phoenix does not recommend or select other investment advisers for its Clients.

ITEM 11 CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

In recognition of Phoenix's fiduciary obligations to its Clients and Phoenix's desire to maintain its high ethical standards, Phoenix has adopted a Code of Ethics ("Code of Ethics") pursuant to Rule 204A-1 under the Advisers Act which sets forth, among other things, policies and procedures governing employees' personal securities transactions, the giving and receipt of gifts and entertainment (including to government, union and pension representatives), political contributions, outside activities, and the treatment of confidential information (including material non-public information). The Code of Ethics establishes a standard of conduct expected of all Phoenix employees and is designed to foster compliance with applicable law and regulatory requirements, and to promote a culture of high ethical standards.

Personal Trading

Phoenix employees may, on a limited basis, purchase or sell for themselves securities that Clients also hold or may acquire. In addition, Clients may, on a limited basis, purchase and sell securities of an issuer in which employees of Phoenix also have a position or interest. Phoenix employees are required to seek pre-approval for all personal investments other than investments in certain non-reportable securities in order to prevent the existence of, or appearance of any potential or actual conflicts of interest in this respect. The Code of Ethics requires employees to report personal transactions on a periodic basis, submit initial and annual personal account holdings reports, and certify their compliance with the Code of Ethics on an annual basis. Phoenix monitors adherence to this policy by periodically reviewing employee account statements.

Gifts and Entertainment

The Code of Ethics prohibits Phoenix employees from giving a gift to, receiving a gift from, or giving or accepting entertainment to or from certain third parties if such gift or entertainment is likely to compromise the independence of its recipient or his/her judgment and is likely to cast doubts over his/her integrity or to seem disproportionate to the business relationship. Certain limits, reporting requirements and prohibitions have been established with respect to giving and the receipt of gifts above certain thresholds.

Political Contributions

Phoenix places restrictions on political contributions by the firm and its employees. Political contributions are permitted only in compliance with Rule 206(4)-5 under the Advisers Act (relating to pay-to-play activities) and corresponding local laws and regulations. Phoenix employees are required to pre-clear all political contributions.

Outside Activities

Phoenix employees are encouraged to engage in worthy activities for their community or personal development. Such activities, however, should not impair the working efficiency or responsibilities of the individual. Phoenix employees may from time to time be asked to serve as a director, adviser, consultant, or employee or engage in other forms of participation in other companies or organizations. Because such commitments may involve substantial responsibilities, or they may present actual or apparent conflicts of interest, Phoenix employees are required to obtain written approval prior to accepting such positions.

Insider Trading/Material Non-Public Information

Phoenix maintains an Insider Trading Policy that includes policies and procedures that are designed to detect and prevent the misuse of material, non-public information by Phoenix and its officers, directors and employees. In accordance with these policies, to prevent trading of public securities based on material, non-public information, Phoenix maintains and updates as needed a “restricted” securities list of companies about which Phoenix employees have material, non-public information. Phoenix has a separate privacy policy designed to protect the security, confidentiality, and integrity of private information of Phoenix, its Clients and investors in its Funds.

Interests in Client Transactions

Phoenix and/or affiliates of Phoenix may have an interest in one or more of the Funds. In addition, certain members, directors, officers and employees of Phoenix and its affiliates are permitted to own, buy and/or sell interests in the Funds. Subject to internal compliance policies and approval procedures designed to address any conflicts of interest that may arise, Phoenix may engage, from time to time, in personal trading of securities and other financial instruments, including securities and financial instruments in which a Client may invest. Please refer to Phoenix’s Code of Ethics for a full description of the policies and procedures Phoenix has implemented in order to address these and other conflicts of interest.

Phoenix will provide a copy of the Code of Ethics to any current or prospective Fund investor or separately managed account Client upon request.

ITEM 12 BROKERAGE PRACTICES

Phoenix has sole discretion to determine, subject to each Fund's or managed account Client's investment objectives, policies and strategies, the securities to be purchased and sold and in what amounts, the brokers, dealers or other counterparties to use in effecting transactions and the commission rates (or mark-ups or mark-downs), if any, to be paid for such transactions. In selecting brokers, dealers and counterparties, Phoenix will seek to obtain "best execution" by attempting to ensure that the total cost or proceeds of any transaction for a Client is the most favorable under the circumstances. Phoenix has established a Best Execution Committee comprised of senior representatives from legal and compliance, the investment team and operations team which meet periodically to review, among other things, a list of approved counterparties.

The full range of brokerage services applicable in a particular transaction may be considered when selecting a broker, dealer or other counterparty, which may include, but is not limited to the:

- ability of the broker/dealer to minimize costs associated with implementing investment decisions;
- communication links between the broker/dealer and Phoenix;
- adequacy of the information provided to Phoenix by the broker/dealer;
- accommodation of special needs by the broker/dealer;
- broker/dealer commission rates;
- the availability, as well as the quality and suitability, of electronic trading platforms and algorithms;
- administrative ability (including settlement processing);
- responsiveness of the broker/dealer;
- financial strength, reputation and stability of the broker/dealer;
- ability of the broker/dealer to handle large and/or complex transactions;
- knowledge of other buyers and sellers as well as the particular security or market in which the transaction is to occur; and
- efficiency of the broker/dealer in executing past transactions.

Phoenix does not currently engage in any formal soft dollar arrangements. However, certain brokers, dealers and other counterparties provide Phoenix with access to industry information, newsletters, seminars and conferences, but these services are provided in an effort to compete for Phoenix's trading business rather than on a formal soft-dollar credit basis. This type of research does not have an identifiable value and is provided based on Phoenix's total Client trading activity or by simply opening an account. Moreover, certain brokers, dealers and other counterparties may sometimes suggest a level of business they would like to receive in return for the various products and services they provide. Actual brokerage business received by any counterparty may be more or less than the suggested allocations because total brokerage is allocated on the basis of all the best execution considerations described above. A broker will not be excluded from receiving business simply because it has not been identified as providing research services. The selection and use of counterparties to obtain research and brokerage products and services raises potential conflicts of interest, since Phoenix will not have to pay for the products and services itself, and such products and services may benefit Clients other than the Client on whose behalf a transaction is executed. This may also create an incentive for Phoenix to select or recommend a broker-dealer based on its interest in receiving those products and services and may result in higher transaction costs than would otherwise be obtainable by Phoenix on behalf of its Clients. While Phoenix may take into consideration whether it receives the products and services discussed in this

paragraph in selecting such trading counterparties, Phoenix will not allocate Client brokerage business to a particular counterparty solely on the basis of the provision of these services. Rather, Phoenix's decisions to select trading counterparties requires a determination in good faith that the commissions (or mark-ups or mark-downs, to the extent they are knowable) are consistent with its obligation to seek best execution by taking into account a variety of factors pursuant to the policies and procedures described above. Although Phoenix does not anticipate engaging in any formal soft dollar arrangements, if Phoenix decides to do so in the future, Phoenix would utilize only those services that would be within the safe harbor afforded by Section 28(e), such that credits generated by Clients would only be used to obtain investment research and brokerage services that provide lawful and appropriate assistance to Phoenix in the performance of its investment decision-making responsibilities.

In addition, from time to time, Phoenix may execute over-the-counter trades by using a broker-dealer to acquire and dispose of a security, and therefore this transaction would be subject to both a mark-up and a mark-down. Phoenix may interpose a broker-dealer for a transaction because doing so may, among other things, prevent a negative market impact and provides anonymity in connection with such transaction.

Phoenix will typically aggregate sale and purchase orders of securities on behalf of Clients if Phoenix believes that such aggregation is reasonably likely to result in an overall benefit to the applicable Clients based on an evaluation of factors in Phoenix's sole discretion. When the same investments are purchased or sold for one or more Client, the general policy is to purchase or sell the investments as a block transaction, and to allocate such investments or proceeds to the participating accounts at the price paid per unit allocated. The principles employed are: (i) allocation of each investment decision to each individual account shall be broadly determined with regard to the investment guidelines and investment policies applicable to each individual account; (ii) dealing for different Clients in the same investment at the same time shall be aggregated and traded as a block to the extent possible; and (iii) each aggregate allocation shall be allocated at the unit price paid to all participating accounts.

A Client advised by Phoenix may or may not follow an investment program that is the same as or similar to the investment program of one or more other Clients. Accordingly, it is Phoenix's policy to recommend the allocation of investment opportunities fairly and equitably according to each participating portfolio's size and risk profile to mitigate that risk that any Client is favored with respect to the selection of investments or timing of purchase or sale of investments over another Client. In allocating an aggregated transaction, the following is a non-exhaustive list of criteria that are taken into account: (i) the terms of the participating accounts' investment guidelines; (ii) the value of each of the participating accounts (omitting any resulting allocations that would be too small to be reasonably marketable or disproportionate to the needs of any portfolio); and (iii) Phoenix's assessment of the participating accounts' tolerance for investment risk.

In addition, Phoenix may, from time to time, recommend that a Client enter into a cross trade (a transaction for the purchase or sale of a security or other financial instrument) with another Client for purposes of portfolio re-balancing, or otherwise. A cross trade may be deemed a principal transaction if Phoenix and certain persons associated with Phoenix own a substantial portion (in excess of 25%) of one or both of the Clients participating in the cross trade. Phoenix will not recommend that a Client enter into a cross trade that is deemed a principal transaction without obtaining proper approval and otherwise in accordance with applicable law.

Phoenix does not contemplate engaging in agency-cross transactions. Agency cross transactions typically arise where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer.

In the event of an error in the investment or trading process, Phoenix shall takes steps to ensure that the error is corrected as soon as possible, and with as minimal an impact to Clients as possible. Absent willful misconduct, fraud, gross negligence, or bad faith, Clients will not be reimbursed should there be a loss as a result of a trade or investing error. Notwithstanding the foregoing, during any time that JLP Institutional Credit Master Fund LP is considered a “plan asset” fund under ERISA, investors in JLP Institutional Credit Fund LP and JLP Institutional Credit Cayman Fund Ltd will be reimbursed for any losses in such funds which result from a trade or investing error due to Phoenix’s negligence. Such errors are generally classified as either trade errors or operational errors. Examples of trade errors including an allocation to an incorrect account, issuing a duplicate trade ticket, processing a buy when a sell was intended (or vice versa), noting an incorrect broker on a trade ticket, or purchasing the incorrect security. Operational errors are those errors that generally occur after a trade has been executed. These operational errors include trade fails due to incorrect information, programming errors, or late delivery instructions, among other things. For an error which either: (1) is not corrected on, or reasonably soon after, trade date, or (2) requires material remedial action to be taken by Phoenix, such errors are to be (i) resolved with the input from the operations and investment teams as quickly as practicable and in a manner that attempts to mitigate or prevent any loss to the Client, and (ii) promptly reviewed by certain Phoenix management who shall determine the appropriate course of action with respect to any trade or investing errors. A trade error file is maintained by Phoenix that contains all documentation necessary to substantiate the actions taken with respect to each error.

ITEM 13 REVIEW OF ACCOUNTS

Each Client is reviewed on a continuing and ongoing basis by the portfolio management team to ensure conformity with Client objectives and guidelines. In addition, all accounts are reviewed in light of emerging market trends and market volatility. Investors in Funds receive written reports containing the value of their accounts at least quarterly. In addition, Phoenix strives to provide written reports that contain summary information discussing its investment views and strategies and the performance of the Funds on a monthly basis and the portfolio manager and management team are available to Clients and investors on a regular basis to discuss their accounts.

The Funds have appointed independent administrators that review security valuations on a monthly basis. The administrator for each Fund reconciles positions and cash details directly with the custodians on a monthly basis. Phoenix has also engaged an independent public accounting firm to conduct annual audits of the Funds. As part of the annual audit process, the accounting firm independently verifies security prices and positions in the Funds, and confirms the Funds' ownership of investment assets.

Generally, investors in the Funds will receive written monthly unaudited performance reports and annual audited financial statements, as well as certain tax information for preparation of investors' tax returns. Certain investors in the Funds may receive additional information and reporting that other investors may not receive.

The nature and frequency of reporting to separately managed account Clients is individually negotiated. Underlying investor reporting for the Mercer Fund and the IDF is the responsibility of the advisor to each fund, respectively.

ITEM 14 CLIENT REFERRALS AND OTHER COMPENSATION

Phoenix does not receive any monetary compensation or any other economic benefit from a non-client for Phoenix's provision of investment advisory services to a Client.

Phoenix utilizes the services of third party marketers by entering into a relationship whereby Phoenix will compensate such third parties by paying them a negotiated portion of the Management Fees and/or Performance Fees received by Phoenix (or its affiliates) attributable to Fund investors or Clients introduced to Phoenix by such third parties. Such arrangements are conducted in a manner that is consistent with Rule 206(4)-3 under the Advisers Act and relevant SEC guidance.

ITEM 15 CUSTODY

Phoenix is deemed, under Federal securities laws, to have custody of the assets of certain Funds because of the authority of Phoenix affiliates over the accounts and assets of the Funds. Fund assets are held at a qualified custodian or are otherwise exempt from such requirement. Phoenix relies on the annual audit exception for investment funds provided under Rule 206(4)-2 under the Advisers Act with respect to the Funds. Phoenix and its affiliates do not have actual physical custody of any Client assets; rather, all such assets are held in the name of each applicable Fund by an independent qualified custodian. Each Fund is audited annually by an independent public accountant that is both registered and inspected by the Public Company Accounting Oversight Board. Audited financial statements of the Funds are distributed to investors in the Funds within 120 days of each Fund's fiscal year end. Investors in the Funds are urged to carefully review such statements and compare them to account information that Phoenix provides.

To the extent Phoenix manages separately managed accounts and is deemed to have custody of the assets of a separately managed account, Phoenix will request that the qualified custodian that holds and maintains that separate account's assets send account statements directly to the Client at least quarterly. Phoenix urges any such Client to compare the account statements received from the qualified custodian to the account statements received from Phoenix. Phoenix does not have custody of the assets of the Mercer Fund or the IDF.

ITEM 16 INVESTMENT DISCRETION

Pursuant to the terms of the Governing Documents, Phoenix has full discretion (unless agreed to otherwise) over all aspects of the Funds it manages and the brokers, dealers and other counterparties with whom it does business. The Governing Documents applicable to a particular Fund are provided to all investors prior to the time a subscription is made and more substantive information can be found therein.

Phoenix acts as a discretionary investment manager to separately managed accounts. Phoenix's discretionary authority is set forth in the applicable investment management agreement between Phoenix and the separately managed account Client and is subject to the investment objectives, guidelines and restrictions negotiated as set forth in that agreement.

As a sub-advisor or sub-investment manager, Phoenix's discretionary authority with respect to the Mercer Fund and the IDF is subject to the stated investment objectives, guidelines and limitations (including but not limited to prohibitions on the use of certain brokers, dealers or other counterparties) of each account and their respective governing documents and as otherwise agreed upon between Phoenix and their respective advisors.

Phoenix may, in the future, provide discretionary advisory services to other investment funds and/or separately managed accounts. Should it do so, it is anticipated that Phoenix will enter into an investment management agreement, or similar agreement, pursuant to which it will be granted discretionary authority.

ITEM 17 VOTING CLIENT SECURITIES

Phoenix has adopted written proxy voting policies and procedures intended to satisfy the requirements of Rule 206(4)-6 under the Advisers Act. Phoenix will vote proxies in the best interests of the applicable Client and in accordance with its proxy voting policy. In some instances, it may be appropriate to abstain from voting (e.g., if the cost of a vote outweighs the benefits). In all cases, Phoenix shall maintain documentation of how each proxy was voted. In certain cases wherein a Client has implemented a securities lending program, Phoenix will be unable to vote proxies for securities on loan unless it issues instructions to call back the securities prior to the record date. Phoenix may choose to refrain from calling back such securities when the voting of the proxy is not deemed material or the benefits of voting do not outweigh the cost of terminating the particular lending arrangement.

If Phoenix identifies the existence of a material conflict between the interests of Phoenix and its Clients, Phoenix will, at its expense, engage the services of an outside proxy voting service or consultant who will provide an independent recommendation on the direction in which Phoenix should vote on the proposal. However, prior to engaging a specific proxy voting service or consultant to provide an independent recommendation, Phoenix will obtain a representation that such firm faces no conflict of interest in making a voting recommendation. The proxy voting service's or consultant's determination will be binding on Phoenix.

Clients may contact Phoenix to obtain additional details and information on how proxies were voted and to request a copy of the Proxy voting procedures.

ITEM 18 FINANCIAL INFORMATION

Phoenix is not aware of any financial condition reasonably likely to impair its ability to meet contractual commitments to its Clients, and has not been the subject of a bankruptcy petition at any time during the past ten years.

ITEM 19 REQUIREMENTS FOR STATE-REGISTERED ADVISERS

Not applicable.